

2014

Workplan



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1. BACKGROUND

In 2011, President Obama announced the U.S. government's intention to implement EITI as a signature effort of the U.S. National Action Plan for the Open Government Partnership. Transparency, accountability and public trust are key pillars in carrying out the mission of the Department of the Interior (DOI) to manage the vast public estate containing valuable minerals, oil and gas, timber, fish, wildlife, and recreational resources, and to fulfill trust obligations to Native Americans. Therefore the President named the Secretary of the Interior as the senior U.S. official to oversee implementation, and the Secretary committed to work alongside civil society and industry to carry out USEITI. Within DOI, the Office of Natural Resources (ONRR)¹ provides direct support for USEITI implementation, coordinates the efforts to convene the Multi-Stakeholder Advisory Group (MSG), and manages the efforts of the USEITI Secretariat. ONRR, with advice from the MSG, will manage the USEITI Independent Administrator contract.

In December 2012, following a comprehensive stakeholder assessment and call for nominations, the Secretary of the Interior formed the USEITI Multi-Stakeholder Group Federal Advisory Committee (MSG). The USEITI Candidacy Application of December 2012, included the first MSG approved Country Work Plan. The U.S. achieved "Candidate Country" status in March 2014. The USEITI is on track to produce its first EITI Report within two years (March 2016) and complete the requirements to achieve "Compliant" status and commence a "validation" process within three years (March 2017). The timeline calls for the Department to produce the first USEITI Report by December 2015, a second Report by December 2016, and become a compliant country no later than the March 2017 deadline.

The U.S. can benefit from EITI implementation in several ways. First, EITI can help to build more transparent relationships between industry and the public and foster greater public trust around resource governance. Additionally, EITI provides an opportunity for the U.S. to lead by example in its efforts to promote global institutions that are more transparent, effective, and accountable. USEITI offers stakeholders a means to influence how government and industry report extractive revenues. Ultimately, USEITI provides the American people with better access to the data and information necessary to improve public discourse around extractive revenues.

This 2014 Workplan reflects the International Secretariat's guidance to implementing countries issued in the April 2014, Guidance Note 2: Developing and EITI Workplan. Enhancements to the previous Workplan in tabular format include: identifying challenges and obstacles, where they exist, with particular activities; associating outcomes with activities; describing the national priorities and reforms; and providing a timeline for activities and tracking when those activities are completed. While USEITI has maintained the original seven objectives of the Workplan there are numerous additional components reflecting MSG 2014 goals and implementing actions associated with the process. For example there are four public meetings of the MSG in 2014 (April, June, September and December) and each results in recommendations and action items to work towards fully implementing the EITI Standard requirements. The MSG meetings, Agendas and minutes are posted on the USEITI website found at <http://www.doi.gov/eiti/FACA>. The USEITI Workplan is an iterative process. Each year the MSG will

¹ ONRR is responsible for the management of the majority of revenues associated with Federal offshore and Federal and American Indian onshore mineral leases, as well as revenues received as a result of offshore renewable energy development. This revenue management effort is one of the Federal government's greatest sources of non-tax revenues. Additional information can be found online at www.ONRR.gov

redefine the annual goals and components of the Workplan including as well the communications and outreach strategy.

2. NATIONAL OBJECTIVES²

The U.S. national objectives for implementing the EITI standard are rooted in the fundamentals of the Open Government Partnership, predicated on nobody having a monopoly on wisdom; the importance of civil society and the private sector having significant inputs into the decision making that governments do; and predicated on a certain philosophy, which is that we have a responsibility to advance the interests of our citizens. Simply stated the national objectives are to:

- Increase citizen participation;
- Increase collaboration;
- Increase government transparency;
- Enhance public access to information;
- Improve management of public resources; and
- Give the public a more active voice in U.S. government policymaking.

Signing onto the EITI initiative furthers these objectives by creating additional “sunshine” for the process of collecting revenues for natural resource extraction. In obtaining EITI candidate status for the United States in March 2014, the U.S. Multistakeholder Advisory Committee has provided an example and hope for how we can collaboratively address complex issues of national concern where each stakeholder has a voice and an opportunity to shape the outcome for our collective benefit.

3. LINKS TO OTHER REFORM PROCESSES

There are several ongoing domestic and international initiatives/priorities that link to America’s ongoing commitment to EITI. These initiatives include, Presidential Memorandum for a Transparent and Open Government, The Open Government Partnership, Dodd-Frank Act, and Project Open Data.

- On President Obama’s first day in office he signed the Memorandum on Transparency and Open Government. In the memo President Obama announced that the administration was committed to creating an unprecedented level of openness in Government. He directed the federal workforce to ensure the public trust and establish a system of transparency, public participation, and collaboration. Openness will strengthen our democracy and promote efficiency and effectiveness in Government.
- The Open Government Partnership (OGP) is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. In the spirit of multi-stakeholder collaboration, OGP is overseen by a Steering Committee including representatives of governments and civil society organizations. To become a member of OGP, participating

² National Objectives reflect priorities advanced in the 2011 and 2013 Open Government National Action Plan for the United States of America.

countries must endorse a high-level Open Government Declaration; deliver a country action plan developed with public consultation, and commit to independent reporting on their progress going forward. The Open Government Partnership formally launched on September 20, 2011, when the 8 founding governments (Brazil, Indonesia, Mexico, Norway, the Philippines, South Africa, the United Kingdom and the United States) endorsed the Open Government Declaration, and announced their country action plans. In just two years, OGP has welcomed the commitment of 56 additional governments to join the Partnership. In total, OGP participating countries have made over 1,000 commitments to make their governments more open and accountable.³

- The Dodd-Frank Wall Street Reform and Consumer Protection Act contains provisions that "require each resource extraction issuer to include in an annual report... any payment made by the resource extraction issuer, a subsidiary ... or an entity under the control of the resource extraction issuer to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals..."⁴
- Project Open Data is an online, public repository intended to foster collaboration and promote the continual improvement of the Open Data Policy. The United States wants to foster a culture change in government where we embrace collaboration and where anyone can help us make open data work better.⁵

In addition to national and international reforms, USEITI also integrates with the following DOI revenue reforms: the 2010 creation of ONRR to separate the revenue collection and distribution from other DOI agencies; overarching Revenue Management Policy; the Revenue Collection Road Map and Revenue Transparency. For example, as a result of its Strategic Review and the continuous improvement process, ONRR developed a proposed Policy directive: the Department of the Interior's Energy Leasing, Production Verification, and Related Revenue Collection Coordination Policy. The purpose of the policy is to establish common standards and methods for creating and sustaining the efficient and effective working relationships necessary to promote accountability in a) providing accurate energy and minerals related data, b) accounting for the associated revenues, and c) identifying areas of improvement in terms of processes, outcomes, and investment. The policy also helps to address concerns from Government Accountability Office about the collaborative relationships among the offices within the Department of Interior and about the effectiveness of those relationships.

During his first term, President Obama and the Secretary of the Interior placed a high priority on making government more effective, transparent, and responsive to the needs of citizens. Nowhere is transparency more important than in the management, development, and collection of revenues from energy and minerals in our public lands and oceans. The creation of ONRR in 2010 was a step in that direction, and coupled with EITI pushes the United States to become an international leader in natural resource management.

Another example is the DOI on-line data pilot for the DOI Energy Portal. The website will provide a valuable resource for data about the extractive industry in the United States. The design is for

³ <http://www.opengovpartnership.org/about>

⁴ <http://www.sec.gov/info/smallbus/secg/resource-extraction-small-entity-compliance-guide.htm>

⁵ <http://www.whitehouse.gov/blog/2013/05/16/introducing-project-open-data>

information that is easy to find and use for both specialists and non-specialists. Its analysis and visualizations can be re-used for DOI and USG strategic reporting, and re-posted and sent through social media, thus informing the debate on the extractives industry. The on-line publicly sourced narrative will have the ability to ingest information from other sites such as EIA. The USEITI in turn becomes a resource for other government sites such as EIA and data.gov's Energy community, amplifying its work.

4. FUNDING & RESOURCE CONSTRAINTS

Funding Required for the FACA Committee

Per the USEITI Advisory Committee Charter, the financial support for the Committee is provided by ONRR. The committee charter specifies available funding of \$775,000 annually. This estimated amount includes funding for:

- MSG Committee meetings;
- Travel of MSG members to MSG meetings;
- Use of a process facilitator to support the collaborative nature of the international EITI requirements;
- Production of the USEITI report; and
- The cost associated with the Independent Administrator as mandated by the international EITI requirements.

ONRR has dedicated four equivalent full-time employees to the USEITI Secretariat for supporting the MSG and the implementation of USEITI. In addition, representatives from multiple government agencies are supporting the USEITI initiative as MSG members, advisors and subject matter experts.

5. WORKPLAN

The USEITI main goals for 2014 are to:

- Hold four MSG meetings that are open to the public and facilitated by a neutral third party (EITI Requirement 1);
- Approve the terms of reference for the Independent Administrator (EITI Requirement 5);
- Hire the Independent Administrator or reconciler by September MSG Meeting (EITI Requirement 5);
- Develop and begin implementing a 2014 / 2015 Communications and Outreach plan (EITI Principles of transparency, accountability and engagement);
- Discuss and prioritize options for company and project level reporting, tax disclosure, and contextual information requirements (EITI Requirements 2 and 3);
- Discuss and decide options for State and Tribal outreach and opt-in processes (EITI Requirement 4); and
- Develop and deploy an on-line, interactive data pilot for federal natural resource revenue contextual information and the ONRR unilateral disclosure that it will capture 100% of "in scope" revenues. The publicly sourced narrative and unilateral disclosure are significant improvements to the information that is currently available to the public (EITI Requirement 6).

An integral part of the implementation process is public outreach to encourage industry involvement in the EITI process, encourage the states and U.S. tribal governments to participate in the process, keep

Congress informed on U.S. implementation efforts and educate all stakeholders about the benefits of U.S. implementation of EITI. As noted earlier in this document the USEITI communication and outreach strategy is ongoing and amended as per MSG direction.

The key purposes of USEITI communications and outreach are to:

- Increase public awareness of the EITI and its benefits;
- Update stakeholders on status of USEITI;
- Notify stakeholders of upcoming events;
- Build credibility for the USEITI process and its products;
- Encourage and secure participation in USEITI from all stakeholders, especially industry, state governments and tribal governments;
- Highlight industry's contributions to the economy at the federal, state, and local level;
- Encourage voluntary compliance by relevant corporations with the USEITI process;
- Encourage engagement and involvement in USEITI by subnational entities, such as states and tribes; and
- Request meetings or briefings.